

**Introduced by Committee on Energy, Utilities and Communications
(Senators Kehoe (Chair), Battin, Calderon, Cox, Dutton, Padilla,
Ridley-Thomas, Simitian, and Wiggins)**

March 8, 2007

An act to amend Sections 5, 20, and 2852 of, to amend and renumber Section 399.25 of, to repeal the heading of Article 15 of Chapter 2.3 of, and to repeal the heading of Article 5 of Chapter 2.5 of, Part 1 of Division 1 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1040, as introduced, Committee on Energy, Utilities and Communications. Public utilities.

(1) The existing Public Utilities Code and Public Utilities Act define certain terms for purposes of the code and the act, respectively.

This bill would provide that the definitions contained in the act govern the construction of the code unless the provision or context otherwise requires. The bill would define the term "Energy Commission" as meaning the State Energy Resources Conservation and Development Commission for purposes of the code.

(2) Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. A decision of the PUC adopted the California Solar Initiative. Existing law requires the PUC to undertake certain steps in implementing the California Solar Initiative, defines what is an eligible solar energy system for purposes of the program, and regulates the use of funds under the California Solar Initiative, including ensuring that not less than 10% of the funds for the California Solar Initiative are utilized for the installation of solar energy systems, as defined, on low-income residential housing, as defined.

This bill would conform those definitions of a “solar energy system,” as specified.

(3) This bill would make other technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5 of the Public Utilities Code is amended
2 to read:

3 5. Unless the provision or the context otherwise requires, ~~these~~
4 *the* definitions, rules of construction, and *other* general provisions
5 *contained in Sections 1 to 22, inclusive, and the definitions in the*
6 *Public Utilities Act (Chapter 1 (commencing with Section 201) of*
7 *Part 1 of Division 1)*, shall govern the construction of this code.

8 SEC. 2. Section 20 of the Public Utilities Code is amended to
9 read:

10 20. (a) “Commission” means the Public Utilities Commission
11 created by Section 1 of Article XII of the ~~State~~ *California*
12 Constitution, and “commissioner” means a member of the
13 commission.

14 (b) “Energy Commission” means the *State Energy Resources*
15 *Conservation and Development Commission*.

16 SEC. 3. The heading of Article 15 of Chapter 2.3 of Part 1 of
17 Division 1 of the Public Utilities Code, as added by Section 4 of
18 Chapter 1051 of the Statutes of 2000, is repealed.

19
20 ~~Article 15. Reliable Electric Service Investments Act~~
21

22 SEC. 4. Section 399.25 of the Public Utilities Code is amended
23 and renumbered to read:

24 ~~399.25.~~

25 399.2.5. (a) Notwithstanding any other provision in Sections
26 1001 to 1013, inclusive, an application of an electrical corporation
27 for a certificate authorizing the construction of new transmission
28 facilities shall be deemed to be necessary to the provision of
29 electric service for purposes of any determination made under
30 Section 1003 if the commission finds that the new facility is
31 necessary to facilitate achievement of the renewable power goals
32 established in Article 16 (commencing with Section 399.11).

(b) With respect to a transmission facility described in subdivision (a), the commission shall take all feasible actions to ensure that the transmission rates established by the Federal Energy Regulatory Commission are fully reflected in any retail rates established by the commission. These actions shall include, but are not limited to:

(1) Making findings, where supported by an evidentiary record, that those transmission facilities provide benefit to the transmission network and are necessary to facilitate the achievement of the renewables portfolio standard established in Article 16 (commencing with Section 399.11).

(2) Directing the utility to which the generator will be interconnected, where the direction is not preempted by federal law, to seek the recovery through general transmission rates of the costs associated with the transmission facilities.

(3) Asserting the positions described in paragraphs (1) and (2) to the Federal Energy Regulatory Commission in appropriate proceedings.

(4) Allowing recovery in retail rates of any increase in transmission costs incurred by an electrical corporation resulting from the construction of the transmission facilities that are not approved for recovery in transmission rates by the Federal Energy Regulatory Commission after the commission determines that the costs were prudently incurred in accordance with subdivision (a) of Section 454.

SEC. 5. The heading of Article 5 of Chapter 2.5 of Part 1 of Division 1 of the Public Utilities Code is repealed.

~~Article 5. Collection and Disposition of Fees for Renewable
Energy Technologies~~

SEC. 6. Section 2852 of the Public Utilities Code is amended to read:

2852. (a) As used in this section, the following terms have the following meanings:

(1) “California Solar Initiative” means the program providing ratepayer funded incentives for eligible solar energy systems adopted by the Public Utilities Commission in Decision 05-12-044 and Decision 06-01-024.

1 (2) “Low-income residential housing” means either of the
2 following:

3 (A) Residential housing financed with low-income housing tax
4 credits, tax-exempt mortgage revenue bonds, general obligation
5 bonds, or local, state, or federal loans or grants, and for which the
6 rents of the occupants who are lower income households, as defined
7 in Section 50079.5 of the Health and Safety Code, do not exceed
8 those prescribed by deed restrictions or regulatory agreements
9 pursuant to the terms of the financing or financial assistance.

10 (B) A residential complex in which at least 20 percent of the
11 total units are sold or rented to lower income households, as defined
12 in Section 50079.5 of the Health and Safety Code, and the housing
13 units targeted for lower income households are subject to a deed
14 restriction or affordability covenant with a public entity that ensures
15 that the units will be available at an affordable housing cost, as
16 defined in Section 50052.5 of the Health and Safety Code, or at
17 an affordable rent, as defined in Section 50053 of the Health and
18 Safety Code for a period of at least 30 years.

19 (3) “Solar energy system” means a solar energy device that has
20 the primary purpose of providing for the collection and distribution
21 of solar energy for the generation of electricity, that produces at
22 least one kilowatt, and ~~except for a solar energy device for a~~
23 ~~nonprofit building~~, produces not more than five megawatts,
24 alternating current rated peak electricity, and that meets or exceeds
25 the eligibility criteria established by the commission or the State
26 Energy Resources Conservation and Development Commission.

27 (b) In establishing the California Solar Initiative, no moneys
28 shall be diverted from any existing programs for low-income
29 ratepayers, or from cost-effective energy efficiency or demand
30 response programs.

31 (c) (1) The commission shall ensure that not less than 10 percent
32 of the funds for the California Solar Initiative are utilized for the
33 installation of solar energy systems on low-income residential
34 housing. Notwithstanding any other law, the commission may
35 modify the monetary incentives made available pursuant to the
36 California Solar Initiative to accommodate the limited financial
37 resources of low-income residential housing.

38 (2) The commission may incorporate a revolving loan or loan
39 guarantee program into the California Solar Initiative for
40 low-income residential housing. All loans outstanding as of January

1 1, 2016, shall continue to be repaid consistent with the terms and
2 conditions of the program adopted and implemented by the
3 commission pursuant to this subdivision, until repaid in full.

4 (3) All moneys set aside for the purpose of funding the
5 installation of solar energy systems on low-income residential
6 housing that are unexpended and unencumbered on January 1,
7 2016, and all moneys thereafter repaid pursuant to paragraph (2),
8 except to the extent those moneys are encumbered pursuant to this
9 section, shall be utilized to augment existing cost-effective energy
10 efficiency measures in low-income residential housing that benefit
11 ratepayers.

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